



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm 206, PO Box 40908 * Olympia, Washington 98504-0908 * (360) 753-1111 * Fax (360) 753-1112
Toll Free 1-877-601-2828 * E-mail: pdcc@pdcc.wa.gov * Website: www.pdcc.wa.gov

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

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|---------------------------------------|--------------------------|
| IN THE MATTER OF ENFORCEMENT) | PDC CASE NO: 04-423 |
| ACTION AGAINST) | |
| More Cops Now, Ed Troyer, Treasurer) | Notice of Administrative |
| Respondent.) | Charges |
|) | |
|) | |

IT IS ALLEGED as follows:

I.
JURISDICTION

Jurisdiction of this proceeding is based on Chapter 42.17 RCW, the Public Disclosure Act, Chapter 34.05, Administrative Procedure Act, and Title 390 WAC.

II.
LAW

RCW 42.17.020(33) states "Political committee means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition."

RCW 42.17.040(2) states in part: "The statement of organization shall include but not be limited to: (i) The street address of the place and the hours during which the committee will make available for public inspection its books of account and all reports filed in accordance with RCW RCW 42.17.080;"

RCW 42.17.080(2) states, in part: "At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the committee maintains its



office or headquarters...a report containing the information required by RCW 42.17.090: (a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and (b) On the tenth day of the first month after the election...and (c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.”

RCW 42.17.080(3) states: “For the period beginning the first day of the fourth month preceding the date on which the special or general election is held and ending on the date of that election, each Monday the treasurer shall file with the commission and the appropriate county elections officer a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.”

RCW 42.17.080(5) states: “The treasurer or candidate shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17.040, the books of account must be open for public inspection as follows:

(a) For at least two consecutive hours between 8:00 a.m. and 8:00 p.m. on the eighth day immediately before the election, except when it is a legal holiday, in which case on the seventh day immediately before the election, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission; and

(b) By appointment for inspections to be conducted at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any other day from the seventh day through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days in the week prior to the election. The appointment must be allowed at an authorized time and day for such inspections that is within twenty-four hours of the time and day that is requested for the inspection.”

RCW 42.17.090(1) states, in part: “Each report required under RCW 42.17.080(1) and (2) shall disclose the following: (a) The funds on hand at the beginning of the period; (b) The name and address of each person who has made one or more contributions during the period, together with the money value and date of such contributions and the aggregate value of all contributions received from each such person during the campaign or in the case of a continuing political committee, the current calendar year... (d) All other contributions not otherwise listed or exempted ... and (f) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, and the amount, date, and purpose of each such expenditure...”

RCW 42.17.3691 states in part: “(1) Beginning January 1, 2002, each candidate or political committee that expended twenty-five thousand dollars or more in the preceding year or expects to expend twenty-five thousand dollars or more in the current year shall file all contribution reports and expenditure reports required by this chapter by the electronic alternative provided by the commission under RCW 42.17.369. The commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports using the electronic alternative provided by the commission.

(3) Failure by a candidate or political committee to comply with this section is a violation of this chapter.”

III. **BACKGROUND**

More Cops Now filed a Political Committee Registration Statement, PDC form C1-pc, on September 15, 2003. The committee identified itself as a ballot committee supporting Proposition 1, on the November 4, 2003 general election ballot, which proposed to increase the sales tax rate in Pierce County by three tenths of one percent (.3 percent) to be used to fund improvements to public safety and criminal justice services as well as to fund the hiring of at least 100 new city and county law enforcement officers. The measure failed. Ed Troyer was designated and acted as treasurer of the committee. Mr. Troyer was responsible for filing the reports of the committee. Ron Klein was the Campaign Manager for More Cops Now.

On January 16, 2004, a complaint was filed by Vicki Rippie, Executive Director of the PDC, alleging that More Cops Now had violated provisions of RCW 42.17.

IV. **FACTS**

These charges incorporate the Report of Investigation and all of its exhibits by reference.

The Respondent, More Cops Now, is a "political committee" as defined in RCW 42.17.020(33). During the period September 15, 2003 through the November 4, 2003 general election, More Cops Now accepted contributions totaling \$90,105 and made expenditures totaling \$88,509.

Failure to Timely Report \$20,000 Contribution (RCW 42.17.080).

More Cops Now accepted a \$20,000 contribution on Saturday, October 11, 2003 from Washington State Council of County and City Employees. A C-3 report disclosing receipt of this contribution was required to be filed on Monday, October 13, 2003. However, the committee reported receipt of the contribution 15 days late on October 28, 2003. The contribution amounted to 22 percent of the committee's total contributions.

Failure to Report Contributions Totaling \$1,880 (RCW 42.17.080 and .090)

A review of the campaign bank account of More Cops Now showed that not all contributions received by the campaign were disclosed on its reports. The bank records showed that the campaign received several checks that were deposited into the campaign's account but were not reported on C-3 or C-4 reports. A summary of the non-reported contributions is listed below:

- More Cops Now bank statements show 18 checks in amounts ranging from \$25 to \$150, totaling \$1,400, that were deposited into the account on October 6, 2003, but were not reported. The checks were deposited into the account by contributors, not by the committee's treasurer. Mr. Troyer stated that the Pierce County Deputy's Association has a charitable account at the same financial institution where More Cops Now has its account. Members of the public are encouraged to make contributions directly into the charitable account as donations to crime and accident victims. The credit union allowed members of the public to also make deposits directly into the More Cops Now account, and Mr. Troyer failed to note the deposits or report the source of the contributions.
- Three additional contributions totaling \$230 were also deposited into the account on October 8 and October 23, 2003, and the contributions were not reported by More Cops Now.
- A \$250 contribution from the Steilacoom Police Officers' Association was deposited into the campaign account on November 5, 2003. The check was endorsed on the back with Mr. Troyer's signature. However, the contribution was not reported by More Cops Now.

Failure to Report Expenditures Totaling \$2,600 (RCW 42.17.080 and .090)

A review of the campaign records of More Cops Now showed that the committee made expenditures for production and airtime for last-minute cable television ads that were not

reported. Mr. Troyer could not explain why he did not report the expenditures. The expenditures totaled \$2,600 and are listed below:

- A \$600 expenditure to Ed Hauge for production and editing of cable television ads. More Cops Now incurred the obligation for the expenditure on October 3, 2003, but did not receive a bill from Mr. Hauge until November 8, 2003 and paid it on that date. The expenditure was required to be reported as an obligation on October 14, 2003.
- A \$300 expenditure on October 29, 2003 to LP Productions for production of cable television ads running November 1 and 2, 2003. The expenditure was paid on October 30, 2003 and was required to be reported on December 10, 2003.
- A \$1,700 expenditure on October 29, 2003, to Comcast Cable Advertising for last-minute cable television airtime on November 1 and 2, 2003 that was required to be reported on December 10, 2003.

Failure to File a Post Election Report of Contributions and Expenditures (RCW 42.17.080 and .090)

More Cops Now was required to file a post election C-4 report by December 10, 2003 disclosing its contribution and expenditure activities for the period October 28 through November 30, 2003. Although Mr. Troyer was instructed by PDC staff on multiple occasions to file the missing report, the report was received 166 days late on May 24, 2004.

The Post Election C-4 report showed that no contributions had been received and that \$200 in expenditures had been made during the period October 27, 2003 through November 4, 2003. Actual contributions received were \$250 and actual expenditures incurred were \$2,200. The contribution was a \$250 contribution from the Steilacoom Officers' Association. The expenditures were for a \$200 reimbursement to Mr. Troyer and \$2,000 payment to LP

Productions for cable television advertisements that were ordered on October 29, 2003 and were aired on November 1 and 2, 2003.

Failure to File Accurate Reports of Contributions and Expenditures (RCW 42.17.080 and .090)

The final C-4 report showed total campaign contributions to be \$80,945 and total expenditures to be \$79,817. Based on campaign and bank records, actual contributions totaled \$90,105 and actual expenditures totaled \$88,509. These discrepancies occurred for the following reasons:

- Throughout the campaign, several C-3 reports showing contributions received were added incorrectly;
- Not all C-3 reports were listed in the C-3 summary section of the Schedule A to C-4 reports for inclusion in the C-4 report totals;
- The amounts that were listed in the C-3 summary section of the Schedule A to C-4 reports were not accurately carried forward to the C-4 report;
- Math errors were made in adding up the expenditures listed on Schedule A.
- Not all contributions and expenditures were reported on C-3, Schedule A and C-4 reports.

Failure to properly disclose an address and time for public inspection of campaign records eight days before the general election (RCW 42.17.040).

In accordance with RCW 42.17.040(2)(i), More Cops Now was required to list on its Committee Registration Statement the street address of the place and the hours during which the committee would make available for public inspection its books of account and all reports filed in accordance with RCW 42.17.080. The C1-pc failed to designate an address and two consecutive hours for public inspection of the campaign books during the eight days before the election. October 27, 2003 was the eighth day before the election, the day on which individuals could

arrive unannounced during the two hours designated by the campaign for the public to view its books and records. The C1-pc stated the location of the campaign records was “not known yet” and no hours were given. After being contacted by PDC staff, on October 28, 2003, Mr. Troyer sent an e-mail with his home address where the campaign records could be viewed.

Failure to Electronically File Reports of Contributions and Expenditures (RCW 42.17.3691)

More Cops Now filed its initial C-3 report on September 24, 2003 disclosing receipts of \$42,620, thus requiring electronic filing of all contribution and expenditure reports for the campaign. On October 24, 2003, PDC staff contacted Mr. Troyer by e-mail and reminded him of the requirement to file reports electronically because expenditures had exceeded \$25,000. At that time, Mr. Troyer submitted an official signature authorization form, downloaded the filing software, and received authorization to file reports electronically, but did not follow through with electronically filed reports. On October 28, 2003, Mr. Troyer was again contacted by email by PDC staff and was informed of the committee’s requirement to file its reports electronically. More Cops Now continued to manually file its reports throughout the campaign.

V.
CONCLUSION

- More Cops Now registered as a political committee on September 15, 2003 and actively supported Proposition 1, a ballot proposition that was on the November 4, 2003 general election ballot in Pierce County.
- More Cops Now failed to report all of its contributions and expenditures, and reported receipt of a \$20,000 contribution 15 days late on October 28, 2003. In addition, the post election report was filed well after the election and was not accurate. The reports filed throughout the campaign contained numerous errors that contributed to the committee’s inaccurate reporting. The final C-4 report, filed 166 days late, showed total contributions

of \$80,945 and total expenditures of \$79,817. Actual contributions for the campaign totaled \$90,105 and actual expenditures totaled \$88,509. (RCW 42.17.080 and .090)

- More Cops Now failed to timely notify the public of a time and place where its campaign records could be inspected on the eighth day before the general election. (RCW 42.17.040).
- More Cops Now failed to file its reports electronically, even though its first report showing contributions received was well above the minimum threshold for requiring electronic filing. Even after being notified of the need to file electronically, the committee continued to file manual reports throughout the election. (RCW 42.17.3691)

Staff alleges, based on the facts specified in Section IV, that More Cops Now, Ed Troyer, Treasurer, violated:

RCW 42.17.080 and 42.17.090:

- By failing to report complete, timely and accurate reports of contributions and expenditures.

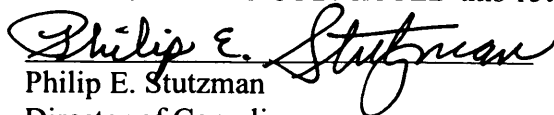
RCW 42.17.040:

- by failing to properly disclose an address and time for public inspection of campaign records eight days before the general election.

RCW 42.17.3691:

- by failing to electronically file reports of contributions and expenditures.

RESPECTFULLY SUBMITTED this 15th day of October, 2004.


Philip E. Stutzman
Director of Compliance